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Reagan's Cabinet—How It Stacks Up Now

Rejecting advice from some of his closest aides, Ronald Reagan has vetoed a shake-up of his cabinet at the halfway mark in his term.

"As far as the President is concerned, no changes are contemplated, planned or foreseen," reports a senior adviser. "He's made it very clear. He thinks he has a winning team."

Accordingly, White House aides largely have given up hope of edging out several cabinet officers whom they see as weak administrators or political liabilities to a President who hints increasingly about a 1984 re-election bid.

Still, there could be voluntary departures by some department heads over the next two years, especially among those who have had little voice in shaping major policies.

Below is a department-by-department look at where cabinet members go from here—their strengths and weaknesses, what they hope to accomplish in 1983 and the obstacles they are up against.

STATE: *Low-Key Control*

Secretary of State **George Shultz**, who succeeded Alexander Haig last summer, exerts wide influence in international affairs and economic policy.

On foreign affairs, Shultz's cautious style and self-effacing manner have eased the conflicts and confusion that marked Reagan's first 18 months in office. Friction between the National Security Council, the State Department and the Pentagon has waned. Observers note only one conspicuous shortcoming in Shultz. He has not yet shown much flair as a strategic thinker.

The Secretary's two most important tasks in the months ahead: Orchestrate a constructive U.S. response to the new Soviet leadership under Yuri Andropov and bring about a withdrawal of foreign troops from Lebanon as part of a comprehensive peace settlement between Arabs and Israelis. Also, a planned trip by Shultz to Peking early in the new year is seen as a move to check the decline in Sino-American relations caused by Reagan's support for Taiwan.

The former budget director, Labor Secretary and Treasury Secretary attends many top-level economic meetings and does not hesitate to advise the President on the business outlook. But in this realm, Shultz—at least for now—is second in influence to Treasury Secretary Donald Regan.

TREASURY: *Bull Market*

Despite meager results thus far from the administration's economic-recovery program, Treasury Secretary **Donald Regan's** stock remains high in the Oval Office.

The former Wall Street executive heads the important Cabinet Council on Economic Affairs and is a major figure in the White House's "legislative-strategy group," where the administration's key economic proposals usually are fashioned.

The President makes up his own mind on economic policy, however, and at times goes against his Treasury Secretary's advice. Example: He pigeonholed Regan's proposal to advance next year's scheduled tax cut from July 1 to January 1 after it became clear that Congress would not buy the idea.

During 1983, Regan will push for deregulation of the banking industry and work to improve the government's cash flow through the use of state-of-the-art computer systems.

DEFENSE: *Uphill Campaign*

Beating back a growing challenge in Congress to Reagan's plans for huge increases in the defense budget is **Caspar Weinberger's** overriding mission.

The Defense Secretary is uniquely suited to the task. His influence with the President, whom he served as a key subordinate in California government, is unsurpassed by any other member of the cabinet. His skill in lobbying lawmakers has been proved.

Yet Weinberger faces steep odds on Capitol Hill. Legislators, confronted with escalating budget deficits and increased pressure from nuclear-freeze advocates, are balking at Reagan's request to deploy the MX missile. Many lawmakers also are dubious of such other big-ticket items as the B-1 strategic bomber and the Trident submarine. Weinberger's best efforts notwithstanding, cuts in Pentagon spending are likely.

INTERIOR: *Political Waves*

Unrelenting controversy generated by **James Watt** has been a particular source of concern to White House political experts, who believe the Interior Secretary has unnecessarily alienated environmentalists.

Yet Watt is in no imminent danger of losing his job. His policies to accelerate energy development on federal lands

BILL FITZ-PATRICK—THE WHITE HOUSE

A recent cabinet meeting. Reagan has ruled out any ousters of department heads.

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and off-shore tracts have the full backing of the President. Moreover, Watt won points with conservative Republicans through political fund raising, especially in the West.

Watt will continue to push for more state control over coal mining and seek to open wilderness areas for mineral-resource inventory. Also in the works: Higher fees for hikers and campers in national parks; increased user charges for farmers and others who benefit from federal water projects.

JUSTICE: *Gains and Gaffes*

After getting off to a slow start two years ago, Atty. Gen. **William French Smith** not only has mastered his department but has managed to sharply alter government policy on school desegregation, affirmative action and antitrust enforcement. Now he is fighting for congressional approval of increased spending to fight drugs and organized crime.

But Smith, an old friend of the President's, continues to be hampered by such missteps as announcing prematurely a major Florida drug bust, thus complicating the job of federal drug agents. A recent fact-finding trip to Europe and Asia by the Attorney General, his wife, 10 aides and about a dozen security agents sparked controversy over the cost to taxpayers.

TRANSPORTATION: *Up to Speed*

Secretary **Drew Lewis** is point man in the administration's push to rebuild roads and bridges through a 5-cent increase in the gasoline tax.

Not much of a fight is expected. With unemployment at a postwar high, lawmakers are eager to pass legislation that would create hundreds of thousands of new jobs. Lewis also will lobby on Capitol Hill next year for regulatory relief for airlines, interstate carriers and the maritime industry.

Considered one of the most politically savvy members of the Reagan team, Lewis is known to be restless in his present post. Some predict that if he is not given a bigger, more demanding job in coming months, he will quit government.

LABOR: *Struggling Back*

Widespread opposition from union leaders and poor relations with influential members of Congress are among Labor Secretary **Raymond Donovan's** biggest handicaps.

After twice being cleared by a special prosecutor of alleged dealings with mobsters, Donovan—a former New Jersey contractor and Reagan political fund-raiser—gives every indication that he intends to hold on to his post despite the misgivings of White House political strategists.

His priorities include implementing the new jobs-training act passed by Congress, easing the burden of government regulation on employers and combatting fraud in pension funds.

COMMERCE: *Businesslike Efficiency*

The rise of protectionist sentiment in Congress offers **Malcolm Baldrige** his sternest challenge yet as Commerce Secretary. He is seeking to defuse the push for new U.S. trade barriers by negotiating with the Japanese to open their markets to more American goods. Results have been limited, although Baldrige's successful drive to negotiate voluntary limits on European steel exports to this country won praise from both sides of the Atlantic.

The former chairman of Scovill, Inc., has been frank in his public statements about gloomy economic conditions—so much so that he has embarrassed fellow cabinet officers. But he still stands high with the President, with whom he shares a love of horseback riding.

Those close to Baldrige insist he will stay another two years, despite hints that he would like a more critical post—perhaps as head of the Office of

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Management and Budget if David Stockman ever bows out.

HHS: *Low Profile*

Perhaps no cabinet officer has had his turf encroached upon more by the White House staff than Secretary **Richard Schweiker** of the Department of Health and Human Services. This is because budget decisions are being made primarily at the White House's Office of Management and Budget, and many of the most tempting targets for savings happen to be in HHS.

Still, in presiding over an array of sensitive cuts, Schweiker has been loyal to Reagan's aims. "He has done what he was told to do better than anyone," says one associate.

Schweiker will continue to stress disease prevention and promote health education, while working to hold down hospital costs. In 1983, he will also have to go to the mat for whatever Social Security reform proposals the administration decides to champion.

HUD: *Frustrating Future*

As the only black member of the President's cabinet, **Samuel Pierce** often has found himself in no-win situations. Forced to defend cutbacks in programs of the Department of Housing and Urban Development, Pierce is accused by leaders of minority groups of insensitivity to the problems of the poor. White House aides, at the same time, complain that he is not aggressive enough in defending administration policies.

Associates report that Pierce, often reserved in public appearances, is less than comfortable in his job. Some observers speculate that he may decide not to stay on for two more years. At least for now, though, Pierce will keep fighting for congressional approval of low-tax urban enterprise zones and for housing vouchers to replace some public-housing programs.

AGRICULTURE: *Innovative Program*

To improve sagging farm income without straining the federal budget, Agriculture Secretary **John Block** is seeking to boost grain exports to the Soviet Union and has proposed substituting surplus grain for cash as payment to farmers for withholding acreage from production. Both steps are designed to reduce growing stockpiles that have depressed prices for farmers.

ENERGY: *Nine Lives*

President Reagan's campaign pledge to abolish the Department of Energy remains on the back burner with the nomination of **Donald Hodel** as the new Energy Secretary.

Hodel, a former under secretary of the Interior under Watt, is recognized as a skillful administrator. His appointment to succeed James Edwards is viewed by many as a sign that the President, in the face of stiff opposition from members of Congress and special-interest groups, does not intend to pursue his goal of dismantling the department created by Jimmy Carter. Even so, Hodel is regarded more as a caretaker than as an innovator.

EDUCATION: *More Uncertainty*

With an eye on the 1984 presidential campaign, some of Reagan's senior advisers are having second thoughts about the President's promise to abolish the Department of Education.

Sentiment for preservation—strong among lawmakers and politically active educators across the country—makes it a good bet that the department is here to stay.

Secretary **Terrel Bell's** future is uncertain, but intimates say he plans to stay on to push for tuition tax credits and consolidation of federal programs into block grants. □

By ROBERT A. KITTLE with members of the magazine's Washington staff

That's why I see Mr. Goodwrench even for simple jobs like brakes-or shocks.

A professional technician

Mr. Goodwrench has GM training

So keep that great GM feeling

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QUALITY SERVICE

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